



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 04-61

August 12, 2004

Petition of Boston Edison Company and Commonwealth Electric Company for Approvals Relating to the Termination of Purchase Power Agreements with MASSPOWER.

ORDER OF NOTICE

The Companies, Boston Edison Company and Commonwealth Electric Company, shall, no later than fourteen (14) days prior to Wednesday, September 8, 2004, publish the attached Notice of Public Hearing and Procedural Conference in The Boston Globe or the Boston Herald. The Companies shall also serve a copy of the notice on the Chairmen of the Board of Selectmen, Mayors, Town Clerks and City Clerks of the towns and cities in the Companies' service areas, post a copy of the notice in each town or city hall in the Companies' service areas until the comment period has expired, and provide actual notice to any person who has filed a request for notice with the Companies. The Companies shall serve a copy of the notice on the distribution lists in Boston Edison Company, D.T.E. 03-117, Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 03-118, Boston Edison Company, D.P.U./D.T.E. 96-23, and Cambridge Electric Light Company/Canal Electric Company/Commonwealth Electric Company, D.P.U./D.T.E. 97-111, and make return of service and proof of publication at the public hearing.

By Order of the Department,

Mary L. Cottrell, Secretary



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NOTICE OF PUBLIC HEARING AND PROCEDURAL CONFERENCE

On July 7, 2004, pursuant to G.L. c. 164, §§ 1A, 1G, 76, 94, and 94A, Boston Edison Company and Commonwealth Electric Company ("Companies"), filed with the Department of Telecommunications and Energy ("Department") for approval of a Termination Agreement with MASSPOWER, and approval of ratemaking treatment relating to the Termination Agreement.

The Companies and MASSPOWER have a total of three purchase power agreements ("PPAs") to be terminated by the Termination Agreement. MASSPOWER sells to Boston Edison Company ("BECo") and BECo buys from MASSPOWER electric energy products produced in a generation facility in Indian Orchard, Massachusetts pursuant to the BECo/MASSPOWER PPA. MASSPOWER sells to Commonwealth Electric Company ("Commonwealth") and Commonwealth buys from MASSPOWER electric energy products from the same facility pursuant to two Commonwealth/MASSPOWER PPAs. The BECo/MASSPOWER PPA runs through December 31, 2013.; the first Commonwealth/MASSPOWER PPA runs through July 31, 2008; and the second Commonwealth/MASSPOWER PPA runs through July 31, 2013.

In the Petition, the Companies request that the Department approve the Termination Agreement that is the result of a public auction conducted in 2003. The Termination Agreement would relieve the Companies of their obligations to purchase power under the MASSPOWER PPAs. Under the Termination Agreement, the Companies would be required to pay MASSPOWER a lump-sum payment to terminate the MASSPOWER PPAs. The Companies will propose, in a separate filing, to issue rate reduction bonds in order to make the termination payment to MASSPOWER. The Department will review the request to issue rate reduction bonds in a separate proceeding. The Companies state that the Termination Agreement will result in approximately \$67 million of customer savings on a net present value basis. The Companies also request that the Department approve their proposal to pass the costs relating to the Termination Agreement through the respective transition charges of BECo and Commonwealth.

The Department will conduct a public hearing to receive comments on the Companies' filing at **2:00 p.m. on Wednesday, September 8, 2004**, at the Department's offices -- One South Station, Boston, Massachusetts, 02110. Following the public hearing, the Department will conduct a procedural conference.

Any person who wishes to submit written comments may do so by filing an original and five (5) copies of such comments with: Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110, no later than the close of business **Friday, September 3, 2004**.

Any person seeking to intervene in this investigation must file an original and five (5) copies of a written petition for leave to intervene or to participate in this proceeding no later than the close of business (5:00 p.m.) **Friday, September 3, 2004**, with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110. A petition to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department -- not mailing -- constitutes filing and determines whether a petition is timely filed. A late-filed petition may be disallowed as untimely, unless good cause is shown for waiver. To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

In addition to paper filings with the Secretary of the Department, all written pleadings or comments must be submitted to the Department in electronic format by e-mail attachment to dte.efiling@state.ma.us, and joan.evans@state.ma.us. The text of the e-mail must specify: (1) an easily identifiable case caption; (2) docket number (D.T.E. 04-61); (3) name of the person or company submitting the filing; and (4) a brief descriptive title or document (e.g., comments or petition to intervene). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Word Perfect (naming the document with a ".wpd" suffix) or in Microsoft Word, (naming the document with a ".doc" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, www.state.ma.us/dpu/.

A copy of the Companies' filing is on file at the Department's offices, One South Station, Boston, Massachusetts for public view during business hours. Copies also are on file for public view at NSTAR Electric, 800 Boylston Street, Boston, Massachusetts. Any person desiring further information regarding the Companies' filing should contact Robert N. Werlin, Esq., at (617) 951-1400. Any person desiring further information regarding this notice should contact Joan Foster Evans, Hearing Officer, Department of Telecommunications and Energy, at (617) 305-3613.